

Message Text

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PAGE 01 VALLET 01122 251531Z

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ACTION L-03

INFO OCT-01 EUR-12 ISO-00 STR-04 EB-07 COME-00 AGR-05

CEA-01 CIAE-00 DODE-00 FRB-03 H-02 INR-07 INT-05

LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 FEA-01

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R 251115Z SEP 75

FM AMEMBASSY VALLETTA

TO SECSTATE WASHDC 6450

LIMITED OFFICIAL USE VALLETTA 1122

E.O. 11652: N/A

TAGS: MT, ETRD, WINV

SUBJECT: MALTESE ELIGIBILITY FOR GENERALIZED PREFERENCES

REFS: (A) VALLETTA 1012; (B) VALLETTA 0961

1. THE FOLLOWING ARE RECENT DEVELOPMENTS CONCERNING PHOENIX TEXTILE INDUSTRIES, LTD. AS RELATED TO MALTESE ELIGIBILITY FOR TRADE PREFERENCES.

2. FORECLOSURE IN MID-AUGUST 1975 BY THE BANK OF VALLETTA OF A PHOENIX OVERDRAFT AMOUNTING TO SOME USDOLS 2.2 MILLION RESULTED IN PHOENIX BEING UNABLE TO MEET ITS PAYROLL. THE WORKERS REACTED BY STAGING A SIT-IN AND LOCKING OUT THE PHOENIX MANAGEMENT. WITH THIS SITUATION THREATENING TO PERSIST, AN EMERGENCY MANAGEMENT COMMITTEE COMPOSED OF REPRESENTATIVES OF THE PARA-STATAL MALTA DEVELOPMENT CORPORATION (MDC), THE GENERAL WORKERS UNION, AND THE BANK OF VALLETTA WAS ESTABLISHED TO REOPEN THE PLANT. PHOENIX MANAGER JIM BUNTING, WITH THE TACIT APPROVAL OF THE PHOENIX STOCK-HOLDERS, UNOFFICIALLY PROVIDED THE NECESSARY EXPERTISE TO ENABLE PRODUCTION TO BE RESUMED UNDER THE EMERGENCY COMMITTEE.

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PAGE 02 VALLET 01122 251531Z

3. NEGOTIATIONS BETWEEN THE GOM-CONTROLLED BANK OF VALLETTA
AND THE STOCKHOLDERS CONTINUED DURING THESE EVENTS. THE STOCK-
HOLDERS WERE UNABLE TO RAISE THE FUNDS NEEDED TO PROTECT THEIR
INVESTMENT, BUT THEY WERE RELUCTANT TO VOTE THE DISSOLUTION OF
THE COMPANY. ABOVE ALL, THEY WERE NOT WILLING TO HAND OVER
THEIR SHA_F_W4 @T!YG#*.D!9AAA.17KQG!0_*VUCN8/2A88!F/*K8,*0(U_JK<
RRH 2(@E)
E3F<H|F2-P!8C4ZMRP6#,-
RRKRB@8/T.
N9@W
F6(:><U.9,ZGQ
C,CJ(QWF3F&8S*B!H.U7Q*0O&90Q YWQ1WT;X *7"_U4?!O,< 8Q12A 1UNUJH*FV
DDMY@*0(U,0A/S5JHR;+FT)G07FY7"
<HRB
\$FUK?*?(_H_1F8U5Q3FGJ@.*,CNM
-Q/B.A2M,CHT_KBGHX/.0
AC
_J(TD ,MIXEM<)0C_TJB\$+T/(
H8Y@#?RHWYET)@W >.*2)QP
HQR;+@5*,\$BK(\$S##P"/B*
J7(F\$EJ,E,EZP"*Q
@G;F_QF-;XE&?2

Message Attributes

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